

Workforce News



A quarterly publication of the Department of Workforce Services: issued December 2009

Southeast Utah: Carbon, Emery, Grand, San Juan

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Government and Markets

Adam Smith's *The Wealth of Nations* is perhaps the most famous statement of the virtues of free markets. While most of the commentary on Smith's work has focused on the benefits arising from the operation of free markets, it is often forgotten that Adam Smith firmly acknowledged that government has a significant role to play in a market economy. Some goods and services, he recognized, would never be supplied by the market, but instead require government for their provision. The most important goods and services that Smith believed only government could adequately supply are

found in the following passage from *The Wealth of Nations*:

"After the public institutions and public works necessary for the defense of the society, and for the administration of justice, ... the other works and institutions of this kind are chiefly those for facilitating the commerce of the society, and those for promoting the instruction of the people." (Book V, chap. 1, par. 70)

The role of government within the economies of four southeastern counties will be explored using employment

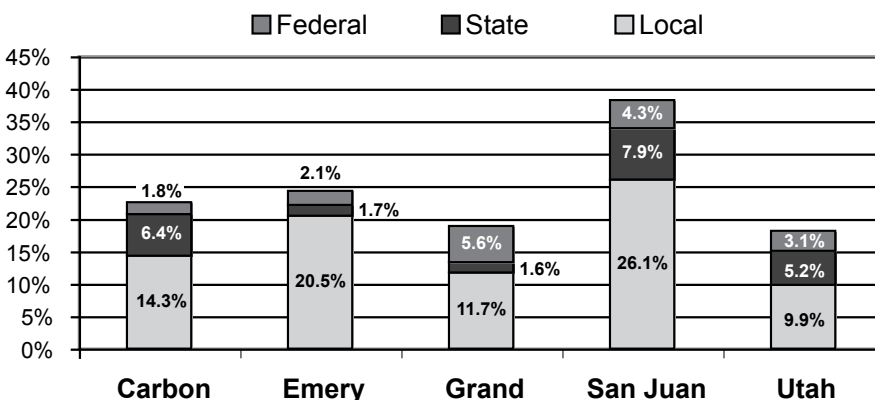
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Inside:

- **Carbon:** Signs of improvement as employment rises and the unemployment rate falls.
- **Emery:** The unemployment rate continues to rise, but sales are picking up.
- **Grand:** Employment is two percent lower than last year and most job losses are in construction.
- **San Juan:** The unemployment rate highest for a Utah county in the last seven years.

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Federal, State, and Local Government Employment as Percentage of Total Employment in Region



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Government and Markets (continued)

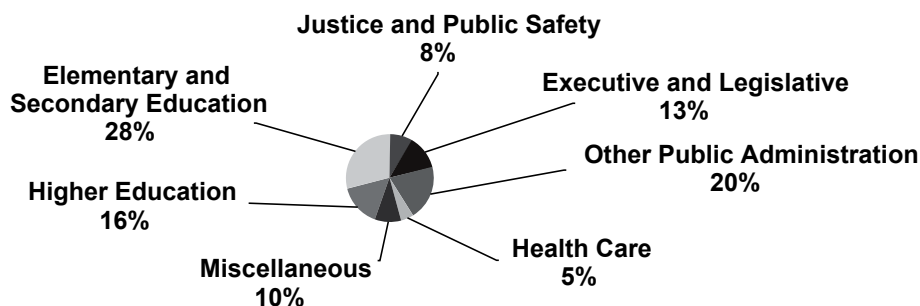
data from June 2009. Attention will focus on describing two beneficial aspects of the government sector and examining the distribution of government jobs for each of the Southeastern counties.

An important function served by the government is its role as an employer. In June of 2009, the proportion of government employment to total employment for each of the four southeastern counties was higher than the proportion for the entire state (see chart). Government jobs accounted for 18.9 percent of all jobs in Grand County, 22.5 percent of all jobs in Carbon County, 24.2 percent of all jobs in Emery County, and 38.2 percent of all jobs in San Juan County. For the state as a whole, government jobs accounted for 18.1 percent of all jobs.

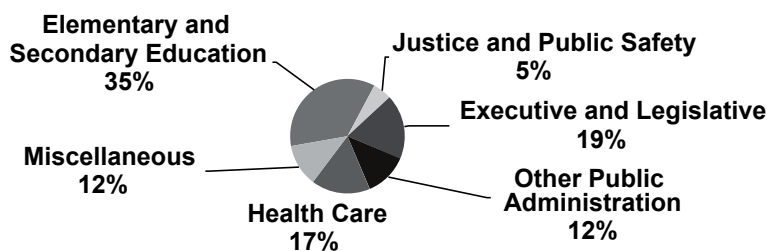
Government employment as a share of total employment, along with the percentages employed by federal, state, and local governments, varies from county to county. Local government hires more workers than both federal and state governments combined in each of the southeastern counties, but the percentage of local government employment as a share of total employment varies widely from a low of 11.7 percent to a high of 26.1 percent. Differences in government employment are usually the results of unique features of the counties.

Distribution of Government Jobs - June 2009

Carbon County



Emery County



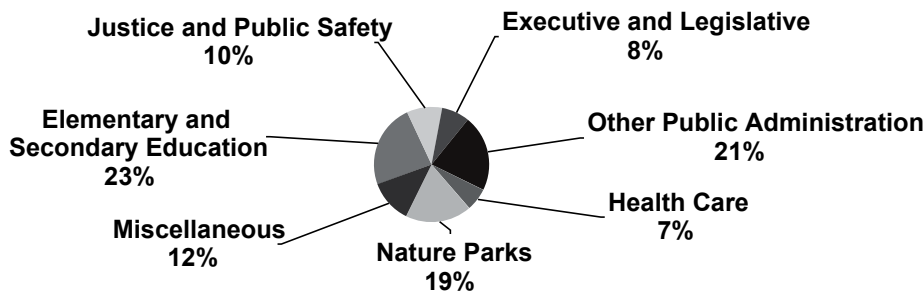
Turning to the distribution of government jobs, there are noticeable similarities and differences in the patterns of government employment throughout all of the counties. The similarities in the distribution of government jobs between counties are essentially related to the tasks that Adam Smith believed only government could perform. For example, all counties provide elementary and secondary education, but employment for this service as a percentage of total

government employment varies from 23 to 35 percent across the southeastern counties. This is the single largest government employment category for all of the southeastern counties. Justice and public safety employment includes judges, public defenders, police officers, and fire fighters. Employment in this category of services ranges from 5 to 10 percent of total government employment in the southeastern counties. Public officials and lawmakers are classified under

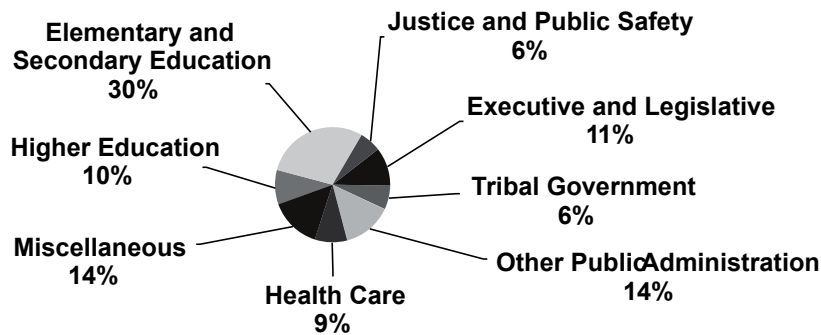
Government and Markets (continued)

Distribution of Government Jobs - June 2009

Grand County



San Juan County



all government employment is highest in Emery County, owing to a publicly operated nursing home/rehabilitation center. In Grand County, 19 percent of all government employees work in nature parks. With the presence of the Navajo Tribal Lands in San Juan County, tribal government represents 6 percent of total government employment. These examples illustrate how government employment differs depending on the special qualities of each county.

The government sector also plays a beneficial role through its stabilizing influence over the economy. The four southeastern counties all exhibit seasonal fluctuations in economic activity in addition to long-run cycles. In contrast, government provision of goods and services, as well as government employment, is very stable over time. The presence of government in the economy tends to dampen these fluctuations, leading to a more predictable and stable economy.

executive and legislative employment, and employment ranges from 8 to 19 percent of total government employment. The category "Other Public Administration" includes administrators for human resources, environmental programs, and economic programs, among others. Employees who work for the postal service, public utilities, construction, and other relatively small but essential services are classified under "Miscellaneous."

Major differences in the distribution of government jobs across the southeastern counties usually reflect unique features within each county. In Carbon County, for instance, employment for all educational services is 44 percent of total government employment, the highest percentage in the four counties. This is due to presence of the main campus of the College of Eastern Utah in Price. At 17 percent, healthcare employment as a share of

Federal, state, and local governments all have beneficial roles to play within the economy. When considering the roles of markets and government, the issue is not whether society is better off with an economy based solely on government planning or exclusively on free markets. The real issue is one of determining the best mix of government and markets. **WFN**

County News

Carbon County:

The economy of Carbon County is showing some signs of improvement. The unemployment rate hit 7 percent in July and August of 2009, but it dropped to 6.8 percent in September. While taxable sales fell by 1 percent from the first to second quarter of this year, it is a smaller decrease than the state average decline of 1.8 percent.

Employment in June 2009 was up 1.4 percent as compared with June 2008. Most of the new jobs were created in the mining sector (131). Employment in educational and health services increased by 4 percent and employment in local government increased by 4.5 percent year-over from June 2008.

Emery County:

On the employment front, while education, health, and government services created new jobs (50 total), the number of current jobs in the county is still 254 less in June 2009 than in June 2008. The largest year-over job losses were in mining (down 29 percent) and construction (down 9 percent), which, together, accounted for 268 job losses.

The unemployment rate continues to rise, reaching 6.6 percent in September. However, taxable sales in the second quarter of this year were up 27 percent compared to the first quarter of this year and were up 6.5 percent compared to the second quarter of 2008. Some economists interpret conflicting signals from the economic indicators to mean that the downward trend has reached the bottom, and the hope here is that they are right.

Grand County:

The unemployment rate remained high through the summer months, averaging over 7 percent from June through September. The unemployment rate in September was 7.4 percent. While taxable sales for the second quarter of 2009 are still 23 percent lower compared to a year earlier, sales showed an increase of 49 percent from the first to second quarter of this year.

Employment continues to remain roughly 2 percent lower than in 2008. In June 2009, there were 129 fewer jobs than in the previous year. Most of these job losses were in mining, construction, and manufacturing, which accounted for 110 of these year-over job losses.

San Juan County:

At 10.1 percent, the unemployment rate in San Juan County is the highest in the state. In fact, this is the highest unemployment rate for any county in Utah since June 2002.

As for employment, the number of jobs in the county was about 1.5 percent lower, on average, during April, May, and June of this year as compared with 2008. The largest year-over job losses for June 2009 occurred in the leisure and hospitality sector (down 78 jobs) and construction sector (down 94 jobs). These losses were partially offset by new jobs in manufacturing (up 59 jobs), government (up 25 jobs), and education and health services (up 17 jobs). Sales for the second quarter of 2009 were up 23 percent from the previous quarter, but remained 30 percent below the second quarter of 2008.

WFN

For more employment information about your county go to: <http://jobs.utah.gov/countyinfo>.

What's Up?

"An estimated \$2.9 million in stimulus money will flow to Emery County in the next year. **Huntington Cleveland Irrigation Company** has received a grant to proceed with a project which will result in a reduction of salt into the Colorado River. The money stems from the American Recovery and Reinvestment Act of 2009. The \$2.9 million comes from a pot of \$11 million ARRA dollars set aside for the Colorado River Basin Salinity Control Program. HCIC is excited about the local short-term economic boost this money will create in Emery County from the construction."

—Emery County Progress

"**San Juan Hospital** is finalizing a funding package that may result in a new surgical suite and a new roof at the facility in Monticello. It is anticipated that the Utah Community Impact Board will make a \$1-million funding commitment for the projects on October 1, including \$500,000 in a grant and \$500,000 in an interest-free loan. The loan will be repaid through revenue bonds."

—San Juan Record



What do they make?

How much training?

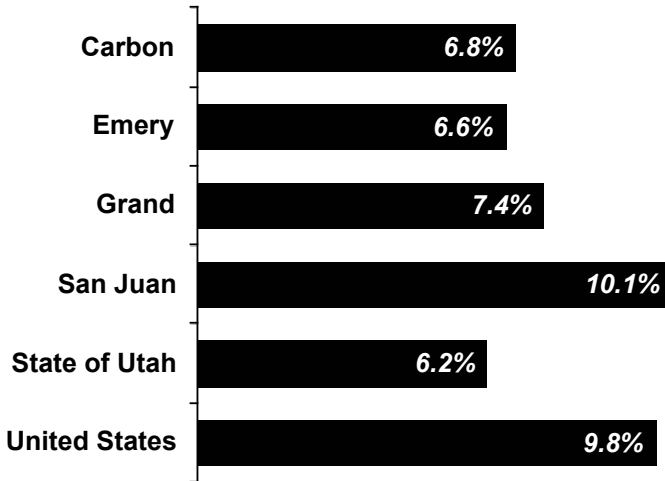
What is the employment outlook?

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Southeast Utah: Carbon, Emery, Grand, San Juan

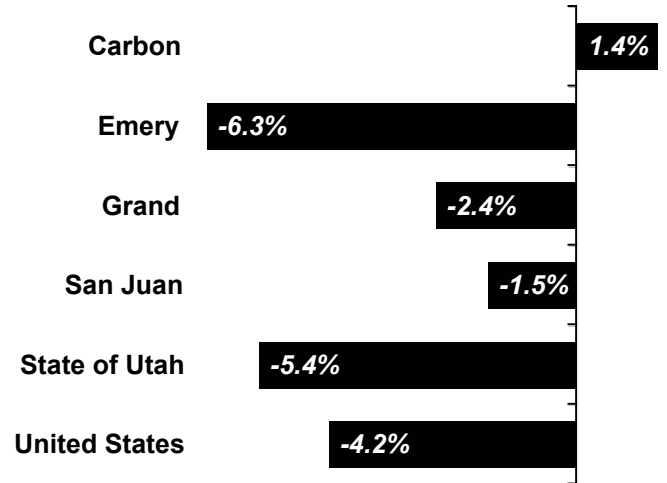
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Seasonally Adjusted Unemployment Rates September 2009



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Percent Change in Nonfarm Jobs June 2008 to June 2009



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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